

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Periodic Reporting
(Proposal One)

Docket No. RM2017-5

NOTICE OF PROPOSED RULEMAKING ON
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING
(PROPOSAL ONE)

(Issued June 14, 2017)

I. INTRODUCTION

On June 7, 2017, the Postal Service filed a petition, pursuant to 39 CFR 3050.11, requesting that the Commission initiate a rulemaking proceeding to consider a change to an analytical method used in periodic reporting.¹ The Petition labels the proposed analytical method change filed in this docket as Proposal One.

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal One), June 7, 2017 (Petition).

II. PROPOSAL ONE

The Postal Service currently utilizes statistical sampling estimates from the Origin Destination Information System-Revenue, Pieces, and Weight (ODIS-RPW) to measure national revenue and pieces for insured, collect on delivery (COD), and registered extra services on domestic mailpieces bearing PC Postage indicia. Proposal One at 3. The Postal Service proposes to replace the ODIS-RPW estimates with census transactional data from the Retail Data Mart reporting system. *Id.* at 5.

The Postal Service summarizes the effect that Proposal One would have had in fiscal year 2016 (FY 2016) in Table A of the Petition. *Id.* at 7. Reported revenues for insured mail and registered mailpieces with PC Postage indicia would have increased by 126 percent and 67 percent, respectively. COD revenues for PC Postage mailpieces would have been calculated to be 1,967 percent higher, resulting in almost double the total COD revenue reported in the FY 2016 RPW and Cost and Revenue Analysis Report.² The Postal Service notes that this increase in COD revenue would have substantially improved the FY 2016 cost coverage of COD, which was discussed in the Commission's FY 2016 ACD.³

The Postal Service states that this change will improve accuracy by eliminating sampling errors. Proposal One at 5. For this reason, the Postal Service avers that Proposal One will provide "equal or improved data quality." *Id.*

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2017-5 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal One no later than July 19, 2017. Pursuant to 39

² FY 2016 COD revenue was reported to be \$2,029,090. See Docket No. ACR2016, Annual Compliance Determination, March 28, 2017, at 61 (FY 2016 ACD). The Postal Service calculates that Proposal One would have added an additional \$2,004,000 in revenue for the same period. Proposal One at 6.

³ FY 2016 ACD at 61-62.

U.S.C. 505, Lyudmila Bzhilyanskaya is designated as the Public Representative in this proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. RM2017-5 for consideration of the matters raised by the Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal One), filed June 7, 2017.
2. Comments by interested persons in this proceeding are due no later than July 19, 2017.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lyudmila Bzhilyanskaya to serve as the Public Representative in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Stacy L. Ruble
Secretary